

Breathitt County Water District

Making Breathitt County

A Better Place One Drop at a Time.

RECEIVED

January 19, 2010

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PUBLIC SERVICE COMMISSION

Public Service Commission Jeff Derouen 211 Sower Blvd. P.O. Box 615 Frankfort, Kentucky 40602

Dear Mr. Derouen:

This letter is to inform the Public Service Commission of a Declaration of Emergency that was proclaimed by Governor Brashear for the City of Hazard and Perry County. The City of Hazard is unable to supply their customer water at this time due to major leaks. They have shut off supply to the northern part of Perry County until problems can be resolved. The Village of Buckhorn is in northern Perry County and borders the southern end of Breathitt County. The Village of Buckhorn supplies approximately 300 residences including a K-12 school, a state resort park, and a children's home.

Due to the current water situation in this community, it has been without water for four weeks. In an effort to help our fellow Kentuckians within Perry and Breathitt Counties, we have made an emergency connection between Breathitt County Water District and the Village of Buckhorn. This emergency connection was established on January 17, 2010 with EPA approval and observer on site to oversee the connection to ensure safety on both systems. We insure the Commission that this will not affect any of the existing customers of Breathitt County Water District. This connection was made in compliance with KRS 278.170 Section 2 which state that an emergency supply can be made without Commission approval withstanding a letter within five days of connection.

Breathitt County Water District held an emergency meeting to approve this contract between the two systems for an emergency connection. Because the Breathitt County Water District does not have a wholesale rate established with the Commission, the BCWD Board voted and approved to sell water at a rate \$2.50 per thousand gallons. We are confident that this price will cover all cost incurred to supply water to these residence.

Attached is copy of sale agreement between our two systems.

Please feel free to contact me at your convenience if you have any questions or concern regarding this situation in our community.

Sincerely,

Paul S. Moore, Superintendent Breathitt County Water District

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